

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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FLOOR DEBATE

February 14, 2001 LB 243

CLERK: LB 243, Mr. President, a bill by Senator Schrock. (Read title.) The bill was introduced on January 5, referred to the Natural Resources Committee, advanced to General File. I have no amendments at this time, Mr. President.

SENATOR CUDABACK: Senator Schrock, to open on LB 243.

SENATOR SCHROCK: Mr. President, members of the Legislature, the following constitutes the reasons for this bill. This bill amends Section 70-655 of the Nebraska Revised Statutes to allow a newly merged or consolidated public power district to charge consumers in the service area of one of the former districts a kilowatt hour rate which is different than that charged to consumers in the rest of the newly merged or consolidated district. This different kilowatt hour rate could only be in effect for up to five years after the date of the merger or the consolidation. It would have to be based on a cost-of-service or other rate study showing that the adaptation of a different rate for consumers in otherwise similar rate classes is necessary to facilitate the merger or the consolidation. Current law does not allow for a public power district to charge different rates to consumers in similar rate classes. The bill was heard on January 31st by the Natural Resources Committee. Proponents were Rex Carpenter, of the Nebraska Rural Electric Association, Mark Farnsworth, from the Chimney Rock Public Power District, and Chris Dibbern, from the Nebraska Municipal Public Power Pool and the Nebraska Power Association. It's a fairly simple, straightforward bill. As you know, in the state of Nebraska we have a lot of REA districts, Rural Electric Association Districts, some of them are quite small, some of them don't encompass an area bigger than a county. And so there are efficiencies to merging. But one of the things that causes districts not to want to merge is, because...because of the debt structure one may have compared to another, their rates are different. And this would allow them to keep those rates different for up to five years. I do believe if we pass this that there's a good chance that Chimney Rock and Roosevelt Public Power Districts would merge and charge a different rate for five years. And I think there's potential in other areas of the state for this bill to also pass. I did not pass out a map of all the REA associations in the state, but I have one handy